

U.S. Small Business Administration



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SBA ADMINISTRATOR PROMOTES CROSS-BORDER SMALL BUSINESS OPPORTUNITIES IN MEXICO

WASHINGTON – U.S. and Mexican small businesses are already benefitting from a small business trade agreement signed last year between Mexico and the United States, said Aida Alvarez, Administrator, U.S. Small Business Administration (SBA), who met Friday with trade officials in Mexico City.

Administrator Alvarez issued a report on the collaborative efforts between the U.S. and Mexico at the XVI U.S.-Mexico Binational Commission (BNC) Meeting cochaired by Attorney General Janet Reno and the Minister of Foreign Affairs for Mexico, Rosario Green.

“Mexico is a vital economic partner in the rapid growth in trade,” said SBA Administrator Alvarez. **“Since 1987, U.S. exports to Mexico have tripled. In 1997, trade between our two countries accounted for nearly \$160 billion. It’s a door of opportunity that’s wide open. Following Canada, Mexico is the United States’ second largest trading partner.”**

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Earlier this year, Administrator Alvarez led 28 U.S. small business owners on a Strategic Partnership and Development Mission to Mexico City and Guadalajara. Here, SBA coordinated over 400 business-to-business meetings among the U.S. and Mexican firms. A survey of the participating U.S. businesses immediately following the trip indicated 35 deals were in negotiation worth over \$22 million dollars, with several potential joint ventures or distribution agreements between U.S. and Mexican companies. Follow-up interviews indicate that the total value of pending deals is close to \$80 million.

The partnership and development mission to Mexico provided small business owners an opportunity to explore their options by allowing them to work first-hand with Mexican businesses as well as government and financing agencies.

“The SBA mission gave me an opportunity to go into a market with an agency that knows the area and how to do business in Mexico – which I did not know,” said Jose Nunez, Senior Vice President of Compu-Base, Inc. of Pennsylvania. “It was a pleasure doing business in Mexico because of their hospitality and the friendly atmosphere I found there. I was surprised to find such a high level of technology and such a strong business infrastructure in Mexico.”

A reciprocal trade mission is planned this year.

Other significant cross-border collaborative steps highlighted at the BNC in Mexico City by Administrator Alvarez included:

- A proposal to open an International Business Incubator at Kelly Air Force Base in San Antonio, Texas. Here, 10 Mexican companies will be selected to participate in the first year-long comprehensive training and consulting program at Kelly Air Force Base which is scheduled to convert to civilian use by 2005. This effort will create jobs and promote economic growth in San Antonio.

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- Small businesses will find a wealth of information as SBA, SECOFI (Secretaria de Comercio y Fomento Industrial) and NAFIN (Nacional Financiera) provide on-line links to each other's Websites and databases. SBA has already developed linkages, which are located on the Office of International Trade's site at: www.sba.gov/oit.
- SBA plans to add fields to Pro-Net, the agency's small business database for government procurement opportunities, to include information on how businesses can trade products and services.
- The South Texas Border Region Small Business Development Center (SBDC) has agreed to establish a pilot program with SECOFI's CRECE (Consultores Externos en la Republica Mexicana) to assist small businesses from the U.S. and Mexico who are trying to partner.
- NAFIN, the U.S. Mexican Chamber of Commerce and SBA recently sponsored nine seminars across the United States on Tax, Finance and Investment In Mexico. Seminars were conducted in New York, Detroit, San Francisco, Los Angeles, Baltimore, Denver, Miami, Dallas and Chicago, in conjunction with the U.S. Export Assistance Center Network, in which SBA is a partner.
- SBA will work with SECOFI to begin a program in Mexico similar the U.S. Small Business Week, so as to duly and officially recognize the contributions of small business in their country as well.

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The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, the SBA is the nation's largest single financial backer of small businesses. Last year, the SBA offered management and technical assistance to more than one million small business owners. The SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses.

America's 24 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy.

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